

CERTIFICATE OF TRUST AGREEMENT
VENDEE MORTGAGE TRUST 1996-3

1. The name of the trust is "Vendee Mortgage Trust 1996-3."

2. The street and mailing address of the office of the Trust is as follows:

Vendee Mortgage Trust 1996-3
3 Park Plaza
Sixteenth Floor
Irvine, California 92714

3. The name, street and mailing address of the Trustee is as follows:

Bankers Trust Company of California, N.A.
3 Park Plaza
Sixteenth Floor
Irvine, California 92714

4. The name, street and mailing address of the Grantor of the Trust is as follows:

Bankers Trust Company of California, N.A.
3 Park Plaza
Sixteenth Floor
Irvine, California 92714

5. The real property owned or conveyed by the Trust, situated in the County of DeSoto, State of Mississippi, is described as follows:

SEE ATTACHED EXHIBIT "A"

6. The anticipated date of termination of the Trust is twenty one years less one day from the death of the last survivor of the descendants of Joseph P. Kennedy, the late ambassador of the United States to the Court of St. James, and the latest possible maturity date of the Trust.

7. The general powers granted or conferred to the Trustee are described as follows:

The Trust is created for the purpose of (a) administering the Initial Trust Estate for the use and benefit of the Initial Beneficiary until this Declaration of Trust is amended and restated in its entirety pursuant to a certain Pooling and Servicing Agreement (the "Pooling and Servicing Agreement"), to be dated as of September 1, 1996, between the Trustee and Boatmen's National Mortgage, Inc., as master servicer, and (b) thereafter (i) purchasing certain mortgage loans and installment contracts for the sale of real estate (collectively, the "Mortgage Loans") from the Secretary of Veterans Affairs, on behalf of the Department of Veterans Affairs, pursuant to a certain Loan Sale Agreement, to be dated as of September 1, 1996, (ii) issuing and selling Vendee Mortgage Trust 1996-3 United States Department of Veterans Affairs Guaranteed REMIC Pass-Through Certificates (the "Certificates") pursuant to a certain Underwriting Agreement, (iii) administering the Trust and (iv) making distributions and reporting to holders of Certificates, as will be provided in the aforesaid Pooling and Servicing Agreement. With respect to clause (b) above, to the extent expressly permitted or required under the Pooling and Servicing Agreement, the Trust is created for the additional purposes of disposing of any of the Mortgage Loans (including Mortgaged Property and REO Property (as defined in the Pooling and Servicing Agreement), and in furtherance of the purposes set forth in this sentence, the Trustee on behalf of the Trust may

hold and dispose of Mortgaged Property and REO Property acquired in connection with the Mortgage Loans.

Take title to assets of the Trust Fund, including but not limited to mortgage loans, foreclosed real estate, cash and securities.

Hold, release, dispose of, transfer and convey Trust Fund assets, including execution of deed, deeds of reconveyance and instruments of release or satisfaction.

Execute documents as necessary for the conduct of foreclosure sales or trustee's sales with respect to mortgage loans held by the Trust Fund and institute legal action for the collection of deficiency judgments or otherwise enforce the rights of the Trust Fund in and to the assets of the Trust Fund.

In WITNESS WHEREOF, the Bankers Trust Company of California, N.A., as Trustee and Grantor for Vendee Mortgage Trust 1996-3 has caused this instrument to be executed by its duly authorized officer (s) on the 15th day of MAY, 2000.

Bankers Trust Company of California, N.A.
as Trustee and Grantor for the Vendee
Mortgage Trust 1996-3

BY:

BRENDAN MULLAN

ACKNOWLEDGEMENT

STATE OF NEW YORK
COUNTY OF NEW YORK

Personally appeared before me, the undersigned authority in and for the said county and state, the within named BRENDAN MULLAN who acknowledged that he/she is VICE PRESIDENT of Bankers Trust Company of California, N.A., not in its individual capacity but solely as Trustee and Grantor for Vendee Mortgage Trust 1996-3 and that in said representative capacity he/she executed the above and foregoing instrument, after first having been duly authorized so to do.

Witness my Signature and seal of office, this the 15th day of MAY, 2000.

Maurice Sands
Notary Public

My Commission Expires: **MAURICE SANDS**
Notary Public, State of New York
No. 41-3448110
Qualified In Queens County
Commission Expires Nov 30, 2001

Prepared by:
Uderwood Law Firm
Post Office Box 16852
Jackson, Mississippi 39236
(601) 981-7773

P Book 85 Pg 400

STATE MS.-DE SOTO CO.
FILED

MAY 30 8 38 AM '00

EXHIBIT "A"

BK 85 PG 398
W.F. [illegible] CLK.

Lot 224, Section "A", DeSoto Village Subdivision located in Section 34, Township 1 South, Range 8 West, DeSoto County, Mississippi as recorded in Plat Book 7, Pages 9-14. Beginning at a point in the northwest line of Ridgewood Road a distance of 195 feet northeast of the southwest line of said subdivision, said point being in the line dividing lots 224 and 225; thence northwestwardly with said dividing line a distance of 130.00 feet to a point in the northwest line of said subdivision; thence northeastwardly with the northwest line of said subdivision a distance of 65.00 feet to a point in the line dividing Lots 223 and 224; thence southeastwardly with said dividing line a distance of 130.00 feet to a point in the northwest line of Ridgewood Road; thence Southwestwardly with the northwest line of Ridgewood Road a distance of 65.00 feet to the point of beginning.

SUBJECT TO EASEMENT: Beginning at useage baseline station 79+86.60, thence S61 degrees 26' 58"E a distance of 15.33 feet to the southwest corner of Lot 224 Section A, DeSoto Village Subdivision, said point being the true point of beginning; thence N28 degrees 37' 54"E along the west boundary of said Lot 224 a distance of 65.00 feet to a point; thence S61 degrees 21 "24"E along the north boundary of said Lot 224 a distance of 11.95 feet; thence N29 degrees 58' 29"W a distance of 65.00 feet to a point; thence N61 degrees 19' 51"W along the south boundary of said Lot 224 a distance of 10.42 feet to a point to the point of beginning, containing 0.0167 acres, more or less.